



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
DARRELL V. MCGRAW, JR.
CONSUMER PROTECTION DIVISION
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Press Release

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FOR IMMEDIATE RELEASE

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ATTORNEY GENERAL DARRELL MCGRAW RECOVERS NEARLY \$92,000 IN OVERCHARGES TO WEST VIRGINIA CONSUMERS FROM DEBT MANAGEMENT CREDIT COUNSELING CORP. OF BOCA RATON, FLORIDA

Debt Management Credit Counseling Corp. ("DMCC") of Boca Raton, Florida, assists financially distressed consumers in making payment plans with their creditors. Now, as the result of a settlement agreement with Attorney General Darrell McGraw's Consumer Protection Division, DMCC has agreed to repay \$91,739.53 in overcharges to 230 West Virginia consumers who contracted for its services.

Under the terms of the settlement, DMCC agreed to comply with West Virginia's debt pooling laws in its future business practices. DMCC also agreed to refrain from imposing unfair mandatory arbitrations clauses on consumers who have disputes with DMCC in place of their right to sue.

DMCC engages in the increasingly common, and sometimes controversial, business of assisting consumers in repaying their outstanding debt in order to avoid being sued or filing for bankruptcy. The most common strategy offered by DMCC and others in the industry is to arrange monthly payment agreements, called "debt management plans." Under debt management plans, the consumers pay a set amount each month along with an additional fee to the credit counseling company which, in turn, makes payments on behalf of the consumers to various creditors.

West Virginia law limits the fees that such companies may charge to 7% of the total amount paid each month. Because DMCC charged West Virginia consumers more than the maximum allowable amount, the Attorney General began investigating the company's practices.

Attorney General McGraw stated, "The average American family's monthly credit card debt is rapidly increasing and, as a result, the number of companies that offer debt management plans has dramatically increased. Regretfully, too many of these companies have become the problem rather than the solution to consumers who sought their services. I commend DMCC for its cooperation with our office and hope that others in the industry will follow DMCC's example in complying with West Virginia law."

Any persons wishing to file a complaint about any consumer matter or to alert the Attorney General about unfair or deceptive practices may do so by calling the Consumer Protection Hotline, 1-800-368-8808 or by downloading a complaint form from this site.

To download and print a complaint form, please click on the General Complaint Form link at the top of this page.

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